

troops as an adjunct force becomes irresistible.

Throughout our history, law enforcement in the United States has remained for the most part a local matter. In recent history, especially since the 1970s, the growth of Federal agencies to enforce tens of thousands of regulations, not even written even by Congress, has changed our attitude toward the proper use of police power as established under the Constitution. While this is annoying to many Americans, many of whom are voicing their resentment, the principle of a centralized police power has become acceptable and unchallenged by our political leaders today.

The emotional frenzy surrounding the war on drugs has allowed Federal police powers to escalate rapidly into the areas of financial privacy, gun ownership, border controls and virtually all other aspects of law enforcement. Many see this trend as dangerous to our liberties while doing little or nothing to solve the problems of violence, gang wars, deterioration of the inner cities or the decline of the public educational system.

The declared justification for military intervention at Mount Carmel, although never substantiated, was that the Branch Davidians were manufacturing amphetamines. This provided the legal cover for army tanks to use the poisonous gas which apparently resulted in the devastating fire in what was a military operation to enforce the law, something which in ordinary times would have been strictly a local law enforcement matter.

Despite the legitimate concerns surrounding nationalization of the police force and using the military to enforce local laws, the House just recently and overwhelmingly approved the use of 10,000 military troops to patrol U.S. borders, none of whom, however, expect to be deployed on the northern border. Rather than addressing the incentive of welfare benefits to legal and illegal aliens, Congress instead reinstated the funding to aliens which was struck in last year's budget welfare reform. The House evidently in its infinite wisdom believes that 10,000 troops will solve many of our social problems.

If this Nation's drug laws are not reconsidered, the tremendous incentive for quick profits will prevent any success that might otherwise result from more and more armed border agents.

But it is also the psychology behind this effort that so often allows the enforcement process to get out of hand, whether at Ruby Ridge or Waco. So far the military on our southern border has not exactly done itself proud.

In January of this year, the army shot and wounded an illegal immigrant near the Rio Grande Valley. Initially the Army said the alien fired twice at the soldiers and had been involved in a robbery. These facts, however, were never substantiated. Even worse, though, is the case of an 18-year-old exemplary high school student and U.S.

citizen named Ezequiel Hernandez who on May 20 was shot and killed after being tracked for 20 minutes. He was wounded but then was allowed to bleed to death. What is more, now that more evidence regarding the shooting has become available, the soldier pulling the trigger is the subject of an ongoing investigation. Perhaps to some, these are minor incidents but the issue of using military troops for routine law enforcement is indeed a serious matter.

According to an article by Thaddeus Herrick in the June 22 issue of the Houston Chronicle, changes in the law permitting the military to be used for law enforcement occurred during the Reagan administration and expanded steadily during the Bush and the Clinton administrations. Currently, about 700 troops are being used for law enforcement, mainly for the purpose of enforcing drug laws. However, with the new legislation working its way through Congress, the numbers could grow substantially. This does not include the 6,000 border control agents already manning the borders, a number which is slated to increase to 20,000 over the next 10 years.

Lawrence Korb, former Assistant Secretary of Defense under Reagan was and remains critical of the trends toward using military troops in this manner. His argument according to Herrick is that soldier's "whole mindset is to go to war. They try to perform law enforcement but at some points their instincts may take over." This is a good warning which could be equally applied to our troops being used as civil policemen in foreign countries under the United Nations banner, such as has done recently in Haiti, Somalia and now as well in Bosnia. Korb has consistently opposed using the military on our borders.

The Clinton administration, in continuing the process begun by Reagan, defends his doing so. Don Maple a spokesperson for the National Drug Control Policy stated, "We believe there will always be a role for the military in law enforcement."

When the Mexican Government ignored the Mexican Constitution in the 1830s and used the military to enforce civil law in Texas, the Texas settlers would have no part of it. The Texans' strong objection and resistance to military law eventually led to the Battle of San Jacinto. Military law in the colonies led to a similar result. Congress must be more careful in ignoring this principle.

Until Congress addresses the failed policy of a national war on drugs and welfare state incentives which draw aliens across the borders in ever-increasing numbers, this unconstitutional national, centralized police state can only result in more loss of liberties in a never-ending battle fought at the expense of the American taxpayer.

CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. GEJDENSON] is recognized for 5 minutes.

Mr. GEJDENSON. Mr. Speaker, we are close to July 4, and it was not that long ago the President asked us to come to the Congress with a campaign finance reform bill that we would vote on by July 4, get it through the House, the Senate, and bring it to the President's desk.

There has been virtually no action on campaign finance reform. I think I know the reason. There is a fundamental difference between the majority of the Republicans and the majority of the Democrats. Enunciated by the Speaker, Speaker GINGRICH says, "One of the greatest myths of modern politics is that campaigns are too expensive. The political process in fact is underfunded, it is not overfunded."

Now, it is interesting because my colleague, the Speaker in particular, seems to say in almost every other category that there is too much money. If it is feeding children, he says there is too much money. We cannot throw money at the problem. If it is education, he does not want to throw money at the problem. But when it comes to campaigns, he thinks there is not enough money.

I find it very hard to grasp this concept. And if we take a look at what has happened here, things like low-income energy assistance has been cut by 50 percent since 1978. We have had community development banks have gone up 27 percent. Maternal and child health block grants have gone up 91 percent from 1978. Congressional campaigns have gone up 294 percent. It does not indicate a shortage of cash.

What it indicates is in reality that we spend way too much time raising money. And if one is running for the Senate in California, the last race was \$14.4 million. In 1992, there was a cheap race for 10.4 million. And we come to an average of about \$12.4 million. A winning candidate must raise \$39,744 over the course of the 312 weeks to make sure they have the money for that race.

Now, there is a reason why the Republicans basically exercise their class warfare not just in the tax bill and not just in the budget authority and where they want to spend money, but why they want wealth to be represented in the political process, because they have a tremendous advantage.

So when one talks to the Speaker and he says he thinks you need more money, well, they have already got about a \$200 million-some advantage in the campaign funding system that we have here today. I do not know how much more of an advantage he wants to have.

My belief is that the democratic institutions we have here ought to represent people and not just a way to funnel money into the political system. Candidates spend too much time raising money. The American people no

longer have the confidence they once had in our system. It seems clear unless we change that, we will undermine this institution and all other institutions of this democracy.

When people hear about \$50- and \$100,000 contributions, they sit back and say, well, my participation does not matter. Why should I volunteer when somebody can write a check for a quarter of a million dollars? Why should I send in \$50 or \$75 or \$100? It is going to disappear in the flood of money that is coming into politics.

We spend too much time raising money. We are losing our voters because of the money in the campaign, and it just is destroying the very fabric of our political system.

Now, what should we do? I think, one, we should make sure we do not rig the system to just give more power to those people who have money. The way I think we solve that is by picking an amount of money that the average citizen could participate in the political process.

I think there ought to be a \$100 bill, a piece of legislation which I will enter in the next several weeks which will limit contributions to \$100. I then want to put a tax on advertising, on television, radio and newspaper ads and use that money for a match to make that contribution about \$700 worth of cash.

Then we need to limit spending. We have to have enough so that a new person can challenge an incumbent. But we do not want to spend our entire lives chasing money and doing fundraisers rather than representing our constituents or maybe even spending some time with our family.

The political crisis that is here is one of confidence in the institutions of this democracy. My parents survived Hitler and fled the Soviet Union to come to the United States, not simply because of its economic success but because this was a country that guaranteed freedoms and provided for participation in its democracy. Young people and old people alike believe they can no longer access this democracy unless they have a political action committee, unless they have thousands of dollars to give.

Let us give this democracy back to the people. Let us limit campaigns to \$100 from an individual. Then I think we will find volunteers flowing back into the political system and participation of average Americans. This should not be a race about money. It ought to be a race about getting people into the system.

□ 1900

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

[Mr. DREIER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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tleman from Maine [Mr. ALLEN] is recognized for 5 minutes.

[Mr. ALLEN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

TAX CUTS FOR MIDDLE CLASS AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. EHRLICH] is recognized for 5 minutes.

Mr. EHRLICH. Mr. Speaker, I rise today in support of the Taxpayers Relief Act and to talk about the class envy and the class warfare and the strategies that the American people and the producers in this country are absolutely sick of. I want to talk about it in the context of three particular taxes that we will be debating tomorrow in great detail.

First the capital gains tax, Mr. Speaker. Cutting capital gains helps middle-class people, clear and simple. People who pay capital gains need the ability to understand that they should not be penalized for being successful in this society, Mr. Speaker.

Consider these important facts from the Congressional Budget Office: About half of all families in this country own assets such as stocks, bonds, real estate, and businesses that generate capital gains. The elderly, and this is bad news for the generational warfare types in this House, the elderly realize a disproportionate amount of capital gains.

In 1993, those over 65 in this country realized 40 percent of all capital gains, although they make up just 12 percent of the population. They also paid 18 percent of all capital gains taxes. A Joint Economic Committee report in 1993 found that one-third of all taxpayers reporting capital gains had incomes of less than \$30,000.

Why do folks in this country, who love to punish producers, who love to punish people who undertake risk in this society, why do they want to not index capital gains? Inflation is an unfair tax on producers in this country. To fight the indexation of capital gains, in my view, is grossly unfair.

The nonrefundable tax credit we have heard other speakers tonight talk about, this aspect of the child tax credit. Democrats claim the Ways and Means bill is unfair because it offers a nonrefundable credit to middle-income families. Over 18 million low-income families in this country receive a tax break already. It is called the earned income tax credit, and we spend \$26 billion on that earned income tax credit.

Now folks on the other side of the aisle say that low-income workers should receive another tax break because they pay FICA taxes. And I hope the American people are listening to this argument tonight and tomorrow and in the weeks ahead. Payroll taxes are different from income taxes.

Income taxes, which low-income workers do not pay because of the

earned-income tax credit, go to general revenues and are used for Government programs, for general revenue purposes. FICA taxes are earmarked for Social Security and Medicare. Revenues from FICA taxes go to the Social Security Trust Fund and are used to pay benefits under Medicare and Social Security.

Today, low-income workers, like all workers, are required to contribute to the Social Security system. They will receive all of what they pay into that system and more in the years ahead. And it is a very interesting difference between the parties when it comes to fairness, this concept of fairness.

The Democrats seem to define fairness as follows: Middle-income earners, in addition to financing the earned-income tax credit, should also subsidize the retirement and health benefits of low-income workers. In essence, they say it is unfair for the working poor to contribute to the Social Security and Medicare system which will return benefits to them when they retire.

Those of us on this side of the aisle define fairness as follows: All working Americans with kids deserve a tax break. Middle-income workers should not be responsible for subsidizing the payroll taxes paid by low-income workers. We all benefit from Social Security and Medicare, and we all need to contribute our fair share.

Last, the great class warfare attack of 1997, the alternative minimum tax. The AMT passed originally in 1986, Mr. Speaker, as part of the Tax Reform Act of 1986, with all good intentions to make sure that truly individuals wealthy and corporations could not avoid paying taxes, and I am fully in support of that have goal.

But I go to the factories, as many of us do, we talk to the small business people in the capital-intensive industries in this country, and they have got a problem with the alternative minimum tax. Like so many provisions of the Tax Code, the AMT has produced unintended consequences.

Let us be clear what the bill of the Committee on Ways and Means does not do in the way of alternative minimum tax. Under current law, the alternative minimum tax treats investment in business machinery and equipment as income rather than as an expense.

Under the proposal, it does not exempt the wealthy from paying taxes, it does not exempt companies from paying taxes. No companies with taxable income will be able to avoid paying taxes. We should all recognize this simple fact. Enough of class warfare. Enough of class envy. Let us go give a break to the producers and middle class of this country.

REPUBLICAN TAX CUT PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. WATERS] is recognized for 5 minutes.

Ms. WATERS. Mr. Speaker, the reconciliation spending bill that we just